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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/995,294	11/26/2001	Hong M. Dang	100111405-2	9718

7590 07/29/2010  
HEWLETT-PACKARD COMPANY  
Intellectual Property Administration  
P.O. Box 272400  
Fort Collins, CO 80527-2400

EXAMINER
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GORT, ELAINE L

ART UNIT	PAPER NUMBER
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3687

MAIL DATE	DELIVERY MODE
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07/29/2010

PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* HONG M. DANG, KOOI K. YAP, HWEI-HWA A. LIN, and  
MARTIN TROSTEL

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Appeal 2009-009106  
Application 09/995,294  
Technology Center 3600

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Before, ANTON W. FETTING, JOSEPH A. FISCHETTI and  
BIBHU R. MOHANTY, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

## STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1, 2, 4, 6, 7, 9-14, 17-25. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We AFFIRM-IN-PART.

## THE INVENTION

Appellants claim a system and method for financial data computation and revenue remittance over an interactive communication network. (Specification 1:3-4).

Claims 1 and 20, reproduced below, are representative of the subject matter on appeal.

1. An intelligent, program controlled system having modular programming for automatically identifying taxable financial transactions, collecting data based on the transactions, calculating in real-time any taxes due on the transactions, reporting the same to a selected government authority, and periodically remitting funds corresponding to the tax owed to the government authorities over an interactive communications network, the system comprising:

a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network; and

a service provider computer system associated with a

service provider to which the merchant is subscribed, the service provider computer system comprising:

- a second server hosting a second virtual portal, the second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

- a communications infrastructure linking the first and second servers to one another;

- a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file; and

- a fourth server hosting a fourth virtual portal, the fourth virtual portal having at least one application for receiving XML-based data from the third server, converting the second selected first database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network, and periodically transmitting the second file, through the network, to a selected financial institution for remission of funds corresponding to the transactional data to the government authority.

20. A service provider computer system associated with a service provider to provide a tax calculation and payment service, the service provider computer system comprising:

- a web server to receive transaction requests from subscriber computer systems associated with corresponding merchants who have subscribed to the tax calculation and payment service of the service provider;

- one or more additional servers having a services module executable in the one or more additional servers, the services module comprising:

a first module to store transaction data of the transaction requests in at least one first file;

a tax computation module to compute tax due on transactions corresponding to the transaction data and to store the tax due in at least one second file; and

a tax remission module to convert the at least one second file from a first format to a second format for use by an automated clearinghouse network, and the tax remission module to transmit the at least one second file in the second format to a financial institution for remission of funds relating to the tax due.

#### THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Thomson	WO 0171606 A1	Sept. 27, 2001
Johnson	US 20020052792 A1	May 2, 2002

Gage, Theodore Justin; "Tools Introduced to Aid with Growing EFT tax Payments"; Corporate Casflow, Vol 14, Issue 7; pg. 12, 2 pgs; June 1993.

The following rejections are before us for review:

The Examiner rejected claims 14 and 20-22 under 35 U.S.C. 102(e) as being anticipated by Johnson.

The Examiner rejected claims 1, 2, 4, 6, 7, 9-13, 17-19 and 23-25 under 35 U.S.C. 103(a) as being unpatentable over Johnson in view of Thomson, Gage and Examiner's Official Notice.

## THE ISSUE

Have Appellants shown that the Examiner erred in rejecting claims 14 and 20-22 under 35 U.S.C. 102(e) as being anticipated by Johnson and claims 1, 2, 4, 6, 7, 9-13, 17-19 and 23-25 under 35 U.S.C. 103(a) as being unpatentable over Johnson in view of Thomson, Gage and Examiner's Official Notice on the grounds that in Johnson, the tax assessment module is at the merchant server side of the system, rather than being associated on the service provider computer system side?

## FINDINGS OF FACT

We find the following facts by a preponderance of the evidence:

1. Johnson discloses:

... A significant distinction and advantage of the tax status information gathering and processing functions performed by the adaptive system of the present invention is that it enables two or more merchants to combine their respective barcode-based tax status databases to produce a collective master database whose expanded content may be utilized by and for the benefit of all of the participating merchants.

([0060]).

2. Johnson discloses that:

[A] customer uses a web browser 86 to contact a merchant website 88 over a suitable broadband network such as the Internet. When interacting with the merchant website 88, the customer selects

one or more commodities for purchase and offers any tax exemption certificates in the manner shown and described above in connection with FIGS. 5 and 6, as well as a delivery address for the commodities being purchased.

([0094]).

3. The Examiner found:

[T]hat Johnson discloses a delineated merchant server, such as the web merchant computer 104 shown in figure 12, associated with a merchant that is separate and thus delineated from servers associated with a service provider computer system, which for example includes the system administrator 108, consumer's lending institution, 118, web merchants bank 122, that receives transaction information, calculates tax and transfers the tax funds, from the tax account to the state escrow account 128. In this manner the defined service provider computer system performs the acts of transferring the tax payments and not the merchant, as the Applicant has argued. The fact that communications go thru the web merchants server does not preclude the defined servers of the "service provider servers" as carrying out the claimed functions.

(Answer 9).

4. The Examiner further found that "Gage teaches software used to automatically format payment information to meet TXP requirements (abstract and paragraph 7)." (Answer 10).

5. The Examiner further found that Johnson:

in [0102] and [0104] disclose the funds being

transferred via an ACH (clearing house) which requires ACH specified formatting in order to transfer the funds, therefor it is arguable that in Johnson the original formatting is converted to meet the ACH required format. (Answer 10)

### ANALYSIS

We affirm the rejections of claims 10, 12, 13, 20-25; and we do not affirm the rejection of claims 1, 2, 4, 6, 7, 9, 11, 14 and 17-19.

Appellant's arguments against each of the 35 U.S.C. § 102 (e) and 35 U.S.C. § 103(a) rejections are based on perceived deficiencies of Johnson. Inasmuch as Appellants raises the same issues with respect to each of these rejections, we discuss them together.

The Examiner found that "the defined service provider computer system performs the acts of transferring the tax payments and not the merchant, as the Applicants has argued. The fact that communications go thru the web merchants server does not precluded the defined servers of the 'service provider servers' as carrying out the claimed functions." (FF 3)

Appellants however maintain that:

If the bank system is to be considered the "service provider computer system" of claim 1, there is no teaching or hint in Johnson that the bank system computes taxes due on a corresponding transaction, or stores the tax due in a database file, or converts the database file from an XML-based format to a TXP-based format, or periodically transmits the second file to a selected financial institution, as recited in claim 1.



(Reply Br. 4).

35 U.S.C. § 103(a) Rejection

Each of independent claims 1, 2, 4, 6, 7 and 9 require:

*a first server associated with a merchant and hosting a first virtual portal, the first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network; and a third server hosting a third virtual portal, the third virtual portal having at least one application for receiving transactional data from the second server, parsing the transactional data received for XML-based data, interpreting the XML-based data for selected data processing operations, storing the XML-based data in a first selected file of a first database, computing any taxes due on the corresponding transaction, and storing the tax due in a second selected first database file....*

Thus, the claims require that the third server conduct the tax duties and be disposed on the service provider computer system side as opposed to being associated with the merchant server. But, Johnson discloses that its tax computing system enables two or more merchants to combine their respective barcode-based tax status databases to produce a collective master database (FF 1). According to Johnson, the tax assessment module (analogous to the third server) is associated with the merchant server side of the system at the collective database, rather than being associated on the service provider computer system side. Since this feature is not disclosed in

Johnson, nor has the Examiner given any reason for considering such a configuration obvious, we therefore will not sustain the rejection of claims 1, 2, 4, 6, 7, and 9.

Claim 11 although it does not recite the exact language set forth above, does call for the service provider system being disposed between the first device (merchant side) and the third device (tax computation device), which is not disclosed in Johnson, nor has the Examiner given any reason for considering such a configuration obvious. We therefore will not sustain the rejection of claim 11.

Since claims 17-19 depend from claim 1, and since we cannot sustain the rejection of claim 1, the rejection of these claims likewise cannot be sustained.

Claims 10, 12, 13, and 24

Independent claims 10, 12 and 13 are drawn only to a service provider computer system. As such, they do not require a first server/device at a merchant side of a service provider computer system separating the first device (merchant side) from a tax computation device as discussed above.

These claims do however recite a device having modular tax remittance programming for converting the second selected file from an XML-based format to a TXP-based format.

The Examiner found that “Gage teaches software used to automatically format payment information to meet TXP requirements” to transfer funds via an ACH (clearing house). (FF 4)

Appellants however contend that “...nowhere in any of the cited references is there any hint of receiving XML-based data and converting a database file from an XML-based format to a TXP-based format for receipt by an automated clearinghouse network.” (Reply Br. 5) That argument is not well taken because the Appellants are attacking the references individually when the rejection is based on a combination of references and the Examiner found that Johnson discloses using an ACH account through which to clear taxes (FF 5). See *In re Keller*, 642 F.2d 413, 426, (CCPA 1981); *In re Young*, 403 F.2d 754, 757-58, (CCPA 1968).

Accordingly, we sustain the rejection of claims 10, 12 and 13. We also sustain the rejection of dependent claim 24 since Appellants have not challenged such with any reasonable specificity (See *In re Nielson*, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

Claims 14, 20-22 Rejected under 35 U.S.C. § 102(e).

Independent claim 14 although it does not recite the exact language set forth above for claims 1, 2, 4, 6, 7 and 9, does require a service provider system disposed between a first merchant side device and a third tax computation device. Thus, for the reasons set forth above for claims 1, 2, 4, 6, 7, and 9, we will not sustain the rejection of claim 14 under 35 U.S.C. § 102(b)(e) either because the Johnson fails to either expressly or inherently describe each and every element set forth in claim 14.

Claim 20 is drawn only to the service provider computer system. As such, it does not require a first server/device at a merchant side of the service

provider computer system. Because of this, the Examiner's finding (FF 3) would not be contradicted by a required merchant side server. We thus sustain the rejection of claim 20.

We also affirm the rejection of dependent claims 21, 22, 23 and 25<sup>1</sup> since Appellants have not challenged such with any reasonable specificity (*See In re Nielson*, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

### CONCLUSIONS OF LAW

We conclude the Appellants have shown that the Examiner erred in rejecting claims 1, 2, 4, 6, 7, 9, 11, 14 and 17-19.

We conclude the Appellants have not shown that the Examiner erred in rejecting claims 10, 12, 13, 20-25.

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<sup>1</sup> Claims 23 and 25 stand rejected under 35 U.S.C. § 103(a) although they depend on claim 20 which was rejected under 35 U.S.C. § 102(e); since we affirm the rejection of claim 20 we address the rejection of claims 23 and 25 here.

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Application 09/995,294

DECISION

The decision of the Examiner to reject claims 1, 2, 4, 6, 7, 9, 11 14 and 17-19 is REVERSED.

The decision of the Examiner to reject claims 10, 12, 13, 20-25 is AFFIRMED.

AFFIRMED-IN-PART

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